

DRAFT
INSURANCE ADVISORY BOARD
100 NORTH ANDREWS AVENUE
8TH FLOOR CONFERENCE ROOM
FORT LAUDERDALE, FL 33301
REGULAR MEETING
WEDNESDAY, October 5, 2022 – 8:00 a.m.

MEMBERS	ATTENDANCE	CUMULATIVE	
		1/22 – 12/22	
		PRESENT	ABSENT
Mark Schwartz, Chair	A	3	1
Joe Piechura, Sr., Vice Chair	A	3	1
Steve Botkin	P	4	0
David Cooley	P	2	2
Ted Hess	P	4	0
Jonathan Perrillo	P	3	1

Staff

Guy Hine, Risk Manager
Katrina Valentino, Benefits Manager
Cathy Caprio, Human Resources Assistant
Matthew Cobb, Assistant Risk Manager

Communications to City Commission

None.

1. Roll Call (including number of appointed members and quorum)

Mr. Botkin called the meeting to order at 8:10 a.m. All members attended in person. As of this date, October 5, 2022, there are six (6) appointed members to the Insurance Advisory Board, which means four (4) would constitute a quorum. Roll was called and it was determined there was a quorum at this time.

2. Approve Minutes

Motion made by Mr. Hess, seconded by Mr. Perrillo, to approve the minutes of the August 17, 2022 meeting. In a voice vote, the **motion passed** unanimously (4-0).

3. Communications to City Commission

None.

4. Unfinished Business

None.

5. New Business

- **Motion to Approve Medical Reinsurance Premium Quote**

Mr. Hine provided a brief review of the current City health plan and insurance market. He outlined this coverage and provided a background on the City's claim history.

Ms. Valentino explained the reinsurance offer from Cigna. She stated that Gehring Group, the City's benefits consultant, and staff had been negotiating the offer since the initial quote. Cigna had originally offered a 10% premium increase while keeping the current stop-loss level of \$350,000. Additionally, Cigna wanted to add an individual specific laser (unique stop-loss) of \$975,000 for an ongoing large claim exposure.

Mr. Hine advised that staff evaluated the proposals and the potential costs for next year with the assistance of the Gehring Group. After review, it was determined that maintaining the current stop-loss level of \$350,000 without a specific laser was in the City's best financial interest. This was based upon the potential of the specific laser claim costs plus the premium totaling \$2,550,522 for the initial quote versus a maximum premium of \$2,038,374 for keep the same policy.

Ms. Valentino added that Gehring and staff had investigated the reinsurance in depth and reviewed the last five (5) years of records. She noted that over the past five (5) years, the policy had a loss ratio of 70.74%. She stated that staff would continue to evaluate, but this year's quote made sense for the City.

Mr. Hine discussed that Cigna is a large player in this market and advised that Gehring Group had approached other carriers, but they could not provide competitive coverage or premium quotes for the City.

Discussion continued regarding the optional proposals of increasing the stop-loss level on the policy to \$375,000 and \$400,000 from the current policy's \$350,000. However, it was noted that both of these quotes included the specific laser, and neither were considered cost effective after evaluation.

Mr. Hine and Ms. Valentino advised that increasing the retention limits on the current policy by \$25,000 or \$50,000 per claim was not worth the risk exposure to the City for a minimal premium savings. Consensus was to maintain the current City coverages for the policy renewal.

Motion by Mr. Cooley, seconded by Mr. Perrillo, to approve the medical reinsurance premium quote, with Cigna for a premium of \$2,038,374. In a voice vote, the **motion passed** unanimously (4-0).

6. Open Discussion – Old/New Business